REMARKS

Applicants respectfully request reconsideration of the instant application in view of the amendments, herein, and the following remarks:

The following claims are *pending*: <u>1-6</u>.

The following claims are *independent*: <u>1 and 4</u>.

Please amend claim 1 and add new claims 4-6; although claim 1 has been amended to provide clarification, correct typographical inaccuracies and/or informalities, and/or to better track practical/commercial implementations/practices, Applicants submit that that the originally filed claims are patentable and reserve the right to pursue the originally filed claims (as well as any claims dependent therefrom) at a later time and/or in one or more continuation application(s). Applicants submit that these new claims and claim amendments are supported throughout the originally filed specification, figures, claims, and abstract and that no new matter has been added by way of these amendments.

Specification

The Office Action objects to the specification due to formatting informalities. Specifically, the Examiner objects to the tables on "pages 130, 131 and 133" of the specification as being "sideways" (p. 2, § 3, Office Action). Applicants have hereby amended the specification to delete tables on pages 130, 131 and 133 and add new Figures 1-3 incorporating the tables into the Figures of the application to address the Examiner's objections. As such, Applicants believe the objections raised by the Examiner have been overcome.

Oath/Declaration

The Office Action asserts the oath or declaration of the pending application is defective. Specifically, the Examiner asserts "the oath or declaration is defective because: Non-initialed and/or non-dated alterations have been made to the oath or declaration ..." (p. 4, § 4, Office Action). Applicants submit Applicants are currently investigating this issue and will follow up in due course.

Claim Rejections - 35 U.S.C. § 101

The Office Action has rejected claims 1-3 under 35 U.S.C. § 101 as allegedly directed to non-statutory subject matter. Applicants respectfully traverse this rejection. Applicants submit that there is no test for non-statutory subject matter that subjectively precludes the aforementioned claims. MPEP § 2106, Section IV, states "claims directed to nothing more than abstract ideas (such as mathematical algorithms), natural phenomena, and laws of nature are not eligible for patent protection." MPEP § 2106 also discusses "[w]hile abstract ideas, natural phenomena, and laws of nature are not eligible for patenting, methods and products employing abstract ideas, natural phenomena, and laws of nature to perform a real-world function may well be."

Applicants submit that the elements recited in the claims are, in fact, directed to statutory subject matter and do not fall within the recognized Judicial Exceptions as merely abstract ideas (such as mathematical algorithms), natural phenomena, and/or laws of nature. Although Applicants respectfully traverse the Examiner's rejection and reserve the right to argue patentability of the claims in their original form at a later time, Applicants have amended independent claim 1 to provide clarification, correct typographical inaccuracies

and/or informalities, and/or to better track practical/commercial implementations/practices. Independent claim 1 recites a "method implemented by a programmed computer system, comprising: receiving by a computer system ... calculating by the computer system ... ." As such, Applicants submit independent claim 1 is directed to statutory subject matter.

Applicants further submit that claims 2-3, which depend directly from independent claim 1, are also directed to statutory subject matter for at least the reasons discussed above, and that claims 1-3 are in a condition for allowance. Should the Examiner maintain the rejection, Applicants respectfully request that the Examiner provide specific explanation describing how independent claim 1 is allegedly directed to non-statutory subject matter.

Accordingly, Applicants respectfully request reconsideration and withdrawal of this ground of rejections.

Claim Rejections - 35 U.S.C. § 103

The Office Action rejected claims 1-3 under 35 U.S.C. § 103(a) as allegedly being unpatentable over Bahar, US Pub No. 2002/0143687 (hereinafter "Bahar") in view of Rutter, James. "Repackaging of All Kinds of Credits", Euromoney. London, Issue 339, Page 29, July 1997 (hereinafter "Rutter"). Applicants respectfully traverse the rejections and submit that a *prima facie* showing of obviousness has not been made, and that the applied references, taken alone or in combination, fail to discuss or render obvious every element of each pending claim.

MPEP § 706.02(j) prescribes that a rejection under 35 U.S.C. § 103 should set forth:

(i)   the relevant teachings of the prior art relied upon,

(ii) the differences in the claim over the applied references,
(iii) the proposed modification of the applied references to arrive at the claimed subject matter, and
(iv) an explanation as to why the claimed invention would have been obvious to one of ordinary skill in the art at the time the invention was made.

Applicants submit that the rejections in the pending Office Action do not establish at least the first two requirements above, the relevant teachings of the prior art relied upon, as well as the differences in the claim over the applied references.

Independent claim 1 recites, *inter alia*:

A method implemented by a programmed computer system, comprising:
...
receiving by the computer system data regarding a first multi-jurisdictional program contract ... wherein the data regarding the first multi-jurisdictional program contract includes the promise by the first issuer to pay at least principal and interest on the note issued by the first issuer...
calculating ... payments due each noteholder of a note issued by the first issuer based at least in part upon the data regarding the purchase of each note issued by the first issuer and the data regarding the promise by the first issuer to pay at least principal and interest on the note issued by the first issuer;
... .

In the pending rejection, the Examiner alleges:

Bahar discloses a method implemented by a programmed computer system, comprising:
receiving ... data regarding a first multi-jurisdictional program contract entered into between the first issuer acting as a debtor and at least one multi-jurisdictional program contract counterparty for the sale of at least one note issued by the first issuer, wherein each first multi-jurisdictional program contract counterparty is selected from the group consisting of: a trustee, a principal paying agent, a custodian, a paying agent, a transfer agent, an arranger, a calculation agent, a disposal agent, a process agent and a swap counterparty (Figs. 2, 4(b), 4(c), 5; ¶¶ 18, 19, 21, 31-33, 38-39, 43 - The specific type of counterparty does not affect the structural elements or the manipulative steps of the claimed invention

and therefore will not serve to patentably distinguish the claimed
invention over the prior art...);
...
calculating with a computer payments due each noteholder based
at least in part upon the data regarding the purchase of each note (¶ ¶ 29-
37 -- Bids to purchase each note are entered. The winning bid indicates
payments due upon purchase of each note) ...
(p. 7, ¶ 3, Office Action)

Applicants note that the Examiner has impermissibly and improperly not
substantively examined at least the claimed "... wherein the data regarding the first multi-
jurisdictional program contract includes the promise by the first issuer to pay at least
principal and interest on the note issued by the first issuer ..." and "calculating ... payments
due each noteholder of a note ... based at least in part upon ... the data regarding the promise
by the first issuer to pay at least principal and interest on the note issued by the first issuer..."
as recited in independent claim 1. Applicants request substantive examination of the full
claim elements as they are recited. The Examiner alleges:

> Even though Bahar does not explicitly disclose all of the details of
> the received data, these differences are only found in the non-functional
> descriptive material and are not functionally involved in the manipulative
> steps of the invention; therefore, the such differences do not effectively
> serve to patentably distinguish the claimed invention over the prior art.
> The manipulative steps of the invention would be performed the same
> regardless of the specific data ...
> (pp. 8-9, Office Action; emphasis added)

Applicants respectfully disagree and submit that the claimed elements are not directed
to "non-functional descriptive material" as alleged by the Examiner. Applicants submit that
the claimed elements are clearly set forth, as is the functional relationship between the claim
elements as recited in claim 1. Applicants submit that in accordance with MPEP 2106.01,
functional descriptive language is to be accorded patentable substantive weight and

substantively examined. Applicants disagree with the Examiner's assertion that the claimed elements are non-functional descriptive material and request clarifications. Should the Examiner maintain the assertion, specifically Applicants request clarification as to how the claimed element are equivalent to music, literary works, or a compilation or mere arrangement of data, as identified in MPEP 2106.01 as non-functional descriptive materials as discussed in the MPEP 2106.01. Therefore, Applicants request substantive examination for the merits of the claimed elements as recited.

The MPEP prescribes that, "when evaluating the scope of a claim, *every limitation in the claim must be considered,*" [§ 2106 II(C), emphasis added] and, "*All words* in a claim must be considered in judging the patentability of that claim against the prior art." [§ 2143.03, emphasis added]. As such, Applicants respectfully request substantive examination over each and every claim element of each and every claim of the instant application as required by the MPEP.

Applicants respectfully submit Bahar's "system for auctioning bad debts," (Bahar, Abstract, line 1) does not discuss at least the claimed "...calculating ... payments due each noteholder of a note issued by the first issuer <u>based at least in part upon</u> the data regarding the purchase of each note issued by the first issuer <u>and the data regarding the promise by the first issuer to pay at least principal and interest on the note issued by the first issuer</u>..." as recited in independent claim 1. In contrast, Bahar discusses "creditors may sell bad debts they own by being able to easily and more effectively, locate buyers who are situated in or near a territorial location that has jurisdiction over the debtor," (Bahar, Abstract, lines 11-14). Bahar elaborates, "any bad debt item that meets its predetermined minimum bid request

amount may be deemed to be sold," (Bahar, ¶ 29). Applicants submit that in Bahar, the

payment due to the creditors is merely based on the amount of the winning bid, which again

contrasts the claimed "... payments due each noteholder of a note ... <u>based at least in part</u>

<u>upon ... the data regarding the promise by the first issuer to pay at least principal and interest</u>

<u>on the note issued by the first issuer...</u>" as recited in independent claim 1.

Applicants further note that the Examiner attempts to remedy the deficiencies in

Bahar by citing various portions of Rutter. More specifically, the Examiner alleges:

> According to Rutter, "Snap was one of the first vehicles to have a
> trust structure allowing it to ringfence underlying assets into separate
> new issues ... (Rutter: ¶ 7) In this scenario, Snap effectively becomes an
> issuer for each debt and IND Barings becomes the counterparty (more
> particularly, a swap counterparty). By "exchanging the cash flows on the
> loans for the cash flows needed to match payments on the bonds"
> (Rutter: ¶ 11), Snap is effectively acting as a debtor that promises to pay at
> least principal and interest on the note it issued ...
> (p. 10, Office Action)

Applicants respectfully disagree and submit that the Examiner has over-generalized

Rutter. Applicants submit that Rutter's special purpose vehicle management for repackaging

does not remedy the deficiencies in Bahar discussed above and does not discuss or render

obvious at least the claimed "[calculating] ... payments due each noteholder of a note ... <u>based</u>

<u>at least in part upon ... the data regarding the promise by the first issuer to pay at least</u>

<u>principal and interest on the note issued by the first issuer...</u>" as recited in independent claim

1.

Instead, Rutter discusses "repackaging of all kinds of credits" by "special purpose

vehicles arranged and managed by investment banks" (Abstract, Rutter). Rutter's ¶ 7 merely

states "... Snap was one of the first vehicles to have a trust structure allowing it to ringfence

underlying assets into separate new issues ... This gives the programme added flexibility, and investors the exact risk profile they seek" (¶ 7, Rutter). Rutter's ¶ 11 merely states "[Snap] enters into a basis swap with ING Barings, exchanging the cash flows on the loans for the cash flows needed to match payments on the bonds ..." (¶ 11, Rutter). Applicants submit that Rutter's "trust structure allowing [a vehicle] to ringfence underlying assets into separate new issues" and "exchanging the cash flows on the loans ... to match payments on the bonds" are not relevant to, and do not discuss or render obvious the claimed "... the data regarding the first multi-jurisdictional program contract includes the promise by the first issuer to pay at least principal and interest on the note issued by the first issuer...", much less the claimed "... calculating ... payments due each noteholder of a note ... based at least in part upon ... the data regarding the promise by the first issuer to pay at least principal and interest on the note issued by the first issuer..." as recited in independent claim 1.

As such, Applicants submit that a *prima facie* case of obviousness is not established with regard to independent claim 1.

Furthermore, Applicants submit that claims 2-3, which depend directly from independent claims 1, are also not discussed or rendered obvious by the cited reference for at least similar reasons as those discussed above identifying deficiencies in the applied references with regard to independent claim 1.

Accordingly, Applicants respectfully request reconsideration and withdrawal of these grounds of rejections.

Double Patenting Rejection

Claims 1-3 have been provisionally rejected on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 1-3 of copending Application No. 11/175,501. Applicants respectfully traverse the provisional statutory double-patenting rejection and submit that a Terminal Disclaimer may be filed if deemed to be required when the pending application(s) issue(s).

CONCLUSION

Consequently, the reference(s) cited by the office action do not result in the claimed invention, there was/is no motivation, basis and/or rationale for such a combination of references (i.e., cited references do not teach, read on, suggest, or result in the claimed invention(s)), and the claimed inventions are not admitted to be prior art. Thus, the Applicants respectfully submit that the supporting remarks and claimed inventions, claims 1-6, all: overcome all rejections and/or objections as noted in the office action, are patentable over and discriminated from the cited reference(s), and are in a condition for allowance. Furthermore, Applicants believe that the above remarks, which distinguish the claims over the cited reference(s), pertained only to noted claim element portions. These remarks are believed to be sufficient to overcome the prior art. While many other claim elements and/or bases for rejection were not discussed as they have been rendered moot based on the above amendments and/or remarks, Applicants assert that all such remaining and not discussed claim elements and/or bases for rejection, all, also are distinguished over the prior art and reserves the opportunity to more particularly traverse, remark and distinguish over any such remaining claim elements and/or bases for rejection at a later time, should it become necessary. Further, any remarks that were made in response to an Office Action objection

and/or rejection as to any one claim element, and which may have been re-asserted as applying to another Office Action objection and/or rejection as to any other claim element(s), any such re-assertion of remarks is not meant to imply that there is commonality about the structure, functionality, means, operation, and/or scope of any of the claim elements, and no such commonality is admitted as a consequence of any such re-assertion of remarks. As such, Applicants do not concede that any claim elements have been anticipated and/or rendered obvious by any of the cited reference(s). Accordingly, Applicants respectfully request reconsideration and withdrawal of the rejection(s) and/or objection(s), and allowance of all claims.

Authorization

Applicants hereby authorize and request that the Commissioner charge any additional fees that may be required for consideration of this and/or any accompanying and/or necessary papers to Deposit Account No. 03-1240, Order No. 17209-518. In the event that an extension of time is required (or which may be required in addition to that requested in a petition for an extension of time), Applicants request that the Commissioner grant a petition for an extension of time required to make this response timely, and, Applicant hereby authorizes and requests that the Commissioner charge any fee or credit any overpayment for such an extension of time to Deposit Account No. 03-1240, Order No. 17209-518.

In the event that a telephone conference would facilitate examination of the application in any way, Applicants invite the Examiner to contact the undersigned at the number provided.

Respectfully submitted,
CHADBOURNE & PARKE LLP

Dated: October 5, 2009   By:/Daniel C. Sheridan/
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Attachment A.